

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
 Washington, DC 20554

RECEIVED**APR - 5 1993**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
 Amendment of the Commission's Rules)
 To Establish a Single AM Radio)
 Stereophonic Transmitting Equipment)
 Standard)

ET Docket No. 92-298

COMMENTS OF THE NATIONAL ASSOCIATION OF BROADCASTERS**I. INTRODUCTION**

In these brief comments, the National Association of Broadcasters ("NAB")¹ offers its full support for the Commission's proposal² to adopt, pursuant to the Telecommunications Authorization Act of 1992,³ "a single AM broadcasting stereo transmission standard."⁴

¹NAB is a nonprofit, incorporated association of radio and television stations which serves and represents the American broadcast industry.

²See Notice of Proposed Rule Making ("Notice") in ET Docket No. 92-298, 8 FCC Rcd 688 (1993).

³Appropriations for the National Telecommunications and Information Administration, Authorization, Pub. L. No. 102-538, 106 Stat. 3522.

⁴See Notice, supra note 2, ¶1. See also Section 214 of the Telecommunications Authorization Act, supra note 3, which directs the Commission to:

(1) Within 60 days after the date of enactment of this Act, initiate a rule making to adopt a single AM radio stereophonic transmitting equipment standard that specifies the composition of the transmitted stereophonic signal; and

(2) within one year after such date of enactment, adopt such a standard.

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Through this Congressionally-mandated proceeding, the Commission has the opportunity to correct one of the most troublesome FCC actions of the 1980s -- the failure to select a single standard for United States AM stereo broadcasting.⁵ Moreover, by choosing an AM stereo standard, the Commission will add to a growing body of "AM Improvement" actions aimed at making AM radio a more viable and competitive electronic medium.

Indeed, NAB considers the instant FCC proceeding as part of a more comprehensive program of maximizing the technical and service potential of AM radio. When viewed in the context of the more demanding AM interference protection requirements recently adopted by the Commission,⁶ the forthcoming licensing of expanded band facilities,⁷ the FCC's adoption⁸ of the National Radio Systems Committee ("NRSC")⁹ standards for AM

⁵See Report and Order in Docket No. 21313, 51 R.R.2d (P&F) 1 (1982).

⁶See Report and Order in MM Docket No. 87-267, 6 FCC Rcd 6273 (1991).

⁷In the Report and Order in MM Docket No. 87-267, supra note 6, the Commission established the framework for band expansion station licensing. It is expected that the Commission, at the time it acts on reconsideration of this Report and Order, will begin to implement its plan for licensing stations on the expanded band.

⁸See Report and Order in MM Docket No. 88-376, 4 FCC Rcd 3835 (1989).

⁹The National Radio Systems Committee is a joint committee of NAB and the Electronic Industries Association ("EIA").

radio¹⁰ and the promise of high quality AM radio receivers meeting the AMax standards,¹¹ the FCC adoption of an AM stereo standard will constitute an important contribution to genuine AM Improvement in this country.

This multifaceted AM Improvement process has involved a mix of industry voluntary cooperation and standard-setting with government regulation. In the instant proceeding, the government has made the decision -- supported by the record and by notions of rational communications policy -- to regulate, rather than delegate such regulatory responsibility to the industry or to the marketplace. NAB concurs with this FCC decision and recommends further FCC oversight of AM developments to ensure that the goals of AM Improvement are met at early as practicable.

II. THE COMMISSION NOW HAS THE OPPORTUNITY TO REVISIT AM STEREO AND CORRECT ITS FAILURE TO SET A STANDARD.

In an era when the FCC adhered nearly religiously to the notion that "marketplace" regulation was better than

¹⁰In 1986 the NRSC adopted the NRSC-1 standard, which governs transmission "preemphasis" and receiver "deemphasis," as well as bandwidth occupancy. Subsequently, the NRSC adopted the NRSC-2 "RF Mask" standard.

¹¹The AMax standard was developed jointly by NAB and the EIA. The AMax "certification mark" can be affixed to radio receivers complying with: (1) the NRSC bandwidth occupancy (minimum 7.5 kHz, but only minimum 6.5 kHz on mobile radios until September 30, 1994, when all newly-manufactured AMax receivers must meet the 7.5 kHz standard) and distortion receiver standard IS-80; (2) AM band expansion reception capability; (3) manual or automatic bandwidth control; (4) AM noise blanking; and (5) external antenna capability. An AMax receiver with AM stereo capability qualifies for an "AMax-Stereo" certification mark.

regulation itself, the Commission, in 1982, chose to leave AM stereo system selection to the choice of radio stations, receiver manufacturers and the listening public.¹² Though the Commission earlier had attempted to select a single AM stereo standard,¹³

~~the ten-year legacy of the Commission's proceedings in Docket No.~~

making¹⁶ one year later, NAB consistently had advocated FCC selection of a single AM stereo standard.¹⁷ Again we take the position that the agency has the duty to select a single AM stereo standard for the United States.

III. NAB SUPPORTS THE COMMISSION'S PROPOSALS.

The 1993 reality is that only the Motorola C-Quam system has achieved any significant market penetration. Moreover, the adoption of the C-Quam system by other countries in North America, and also by a major receiver manufacturing country -- Japan -- strongly suggests that adoption of the same system in this country will allow economies of scale to be realized by broadcasters, receiver manufacturers and consumers.

Though C-Quam's dominance is evident, the FCC's selection of a single system will still provide significant benefits. Especially in view of the economic state of AM radio stations as a whole,¹⁹ the greater certainty provided broadcasters by FCC single system selection -- eliminating the fear of purchasing the "wrong" system -- will be most welcome. This certainty also will be enjoyed by receiver manufacturers and consumers also wishing to make the correct choice.

IV. FCC ADOPTION OF AN AM STEREO STANDARD IS PART OF A LARGER GOVERNMENT-INDUSTRY EFFORT TO ADVANCE AM RADIO AND ITS PUBLIC SERVICE POTENTIAL

As discussed above, the instant rule making is part of a much larger government and industry effort to improve AM radio and to enhance its potential to serve the local public.²⁰ With

¹⁹From the most recent survey results available, AM stations still are experiencing tough financial times. In 1991, over half of standalone AM stations lost more than \$19,000, with one quarter of these losses at more than \$62,000. 1992 NAB Radio Financial Report, 31.

²⁰Indeed, in the Notice the Commission acknowledges that this proceeding is consistent with its "general policies towards
(continued...)

reduced interference levels on the band -- now and in the future due to band expansion lessening of frequency congestion and more demanding interference protection standards -- and combined with the benefits of the NRSC standards and the industry AMax campaign and receivers, the prospects for higher quality AM are very much within reach. But, for this goal of significantly improved AM to be achieved fully, it is essential that all players -- government, broadcasters and receiver manufacturers -- make the necessary commitments and take the actions required to ensure success.

In the Notice the Commission points out that it "will continue to encourage the availability of AM receivers, including AM stereo receivers, that meet appropriate quality standards."²¹ The FCC, in the Notice, also acknowledges the NAB/EIA AMax and AMax-Stereo standards and certification program.²² Moreover, in the Commission's AM Improvement Report and Order, the agency states that it will:

. . . at appropriate intervals publish a list of those receivers that meet the NRSC-3 standard or which are comparable so that consumers can make an informed choice when purchasing AM radios.²³

²⁰(...continued)
improvement of the AM broadcasting service." Notice, supra note 2, ¶ 7.

²¹Notice, supra note 2, ¶ 7.

²²Id. at n. 8.

²³See Report and Order in MM Docket No. 87-267, supra note 6, ¶ 207.

It is NAB's strongest recommendation that the Commission's listings of high quality AM radios focus on those receivers that meet the AMax criteria. To date, it appears that two receiver manufacturers currently are marketing receivers meeting the AMax requirements. They are DENON AMERICA and Delco Electronics. The DENON AMax-compatible tuner, Model TU-680NAB, is available through audio dealers carrying the DENON line, as well as through NAB itself.²⁴ The Delco receiver models are designated by product codes UX1, U1A, U1B, U1G and U1H. The Delco AMax-compatible receivers are standard in certain model General Motors automobiles and may be ordered as optional equipment for other GM models.

Most consumers listening to AM broadcasts over radios designed to meet the AMax guidelines think they are listening to broadcasts of FM quality. Indeed, the improvement in quality over "standard" AM receivers is dramatic. At NAB's September Radio Show convention in New Orleans, we conducted the "AMax Challenge" -- wherein broadcasters and others attending the convention were given the opportunity to compare AMax quality to FM quality. The majority making the comparison chose AMax, a significant indicator of the quality that can be realized through these improved receivers.

²⁴NAB sells the Denon TU-680NAB receiver through its Services Department, which can be contacted by calling 1-800-368-5644.

However, NAB is concerned over the sluggish pace at which the receiver industry has been designing and marketing radios meeting the AMax criteria. It is hoped that this pace will be accelerated not only as the result of this proceeding but also due to the expected availability, later this year, of a new Motorola receiver chip that incorporates relevant AMax properties, including AM stereo and noise blanking.

But, because of the critical nature of the receiver aspects of AM Improvement, we urge the government to join NAB in monitoring the future production of AM radios that not only offer AM stereo -- the focus of this proceeding -- but also incorporate full AMax technology. Unless such high quality receivers become widely available to consumers, the AM Improvement efforts of both government and industry well may not be fully realized.

V. CONCLUSION

NAB, for the reasons stated above, supports the adoption of the Commission's proposals in this proceeding. Moreover, we urge the Commission to continue and expand its AM

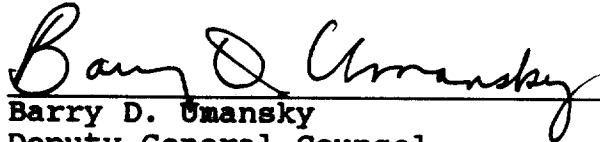
Improvement efforts, in conjunction with the ongoing efforts of
broadcasters and receiver manufacturers.

Respectfully submitted,

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